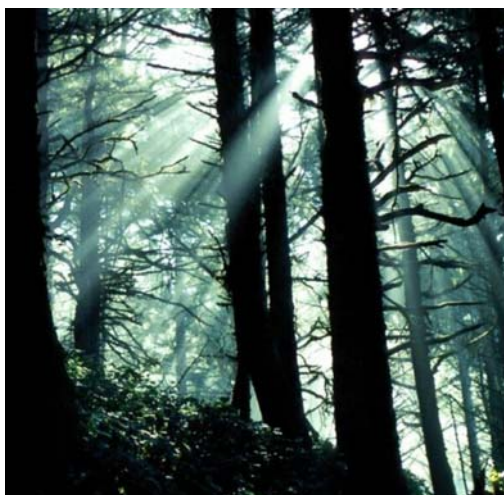


OECD AGRICULTURAL CODES AND SCHEMES FOR INTERNATIONAL TRADE



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THE CODES AND SCHEMES IN BRIEF

The OECD Agricultural Codes and Schemes facilitate international trade through the simplification and harmonisation of documentary, inspection and testing procedures: **Seeds and Forest reproductive material**, by encouraging the production and use of seeds or plants of consistently high quality for which trueness to name or source is guaranteed; **Tractors**, by enabling an importing country to accept with confidence the results of tests carried out in another country; **Fruit and vegetables**, by promoting uniform classification and quality control procedures.

Creation of the Schemes dates back to the late 1950s/early 1960s and participation is constantly expanding. The programme is open to any OECD or non-OECD that is a member of the United Nations or the World Trade Organisation. In addition to OECD countries, which are all members of at least one of the Schemes, participation currently encompasses twenty-seven non-Member countries, including some of the major players in world trade (Brazil, Chile, China, Egypt, India, Russia, South Africa). There are also in-depth links and co-operation with the UN family, as well as specialised non-governmental scientific and industrial organisations (CEMA, ISO, ISTA, etc.).

The overriding objectives of the Schemes are to simplify existing international trade procedures; increase transparency and open up markets; reduce technical trade barriers; contribute to international harmonization of standards, as well as to environmental protection; and to increase market confidence through enforcement of quality control and inspection procedures, as well as the traceability of the traded products. The objectives are achieved through an ongoing dialogue encompassing the designated authorities of each of the Schemes and multi-stakeholders including farmer, industry and trade organisations, as well as UN agencies.

International Product Standards at a Glance

Are international product standards a good thing?

What is called international product standardisation can have several meanings. Today, it is believed that standardising products is most often not a good thing. There is a loss of product diversity which is of value to consumers and fosters competition between producers. This being said, there is no doubt that standardization of products and interchangeability of parts can generate economies of scale and reduce costs.

What are the consequences of standardisation on consumer/user information?

From an engineering standpoint, a standardised product is more transparent by definition. Yet, its description becomes more sophisticated and more removed from the ordinary consumer's understanding. Often, physical, chemical or biological complexity introduces the need for specialized information. Patented elements lead producers to exert caution in giving out information on critical parts of the production process.

Should governments get involved in standardization and certification?

As substitutes for producers, certainly not; but they do have a role in providing oversight on product safety and knowledge aspects. Appropriate, adequate and reliable information helps the consumer/user to choose among different products and inputs. There are three sources of information prior to purchase: the manufacturer himself (he knows best), a private third party (contracted by supply or demand, seldom by both), or government. Regulations, together with inspection, testing and documentation can be necessary to ensure identification, quality and safety in product use. Other approaches can be judicial (but penalties for accidents and defects are post purchase) or insurance-based (if transaction costs are low).

International versus national certification

International certification differs from national certification. Some countries, even some regions of the world, operate within a unique or similar legal framework so that trust and confidence have solid underpinnings. At the international level, regulatory systems may vary to a large extent. A voluntary international system is a tool which heterogeneous countries can use, as necessary and for specific product characteristics, without having to change their domestic framework. Even if multinational companies tend to standardize their products across borders, there are benefits from product certification and guarantee to be shared between exporters and importers.

International Product Standards at a Glance (continued)

Why is OECD involved?

OECD has simply responded to the needs of government and trade. OECD harmonised regulations for the benefit of its membership. Importers and exporters were able to rely on a single set of guidelines for testing, inspecting and documenting. Dealings with non-OECD countries were incorporated in 1962 through a Council Decision. This proved to be more efficient than creating worldwide, general certification systems with compulsory membership.

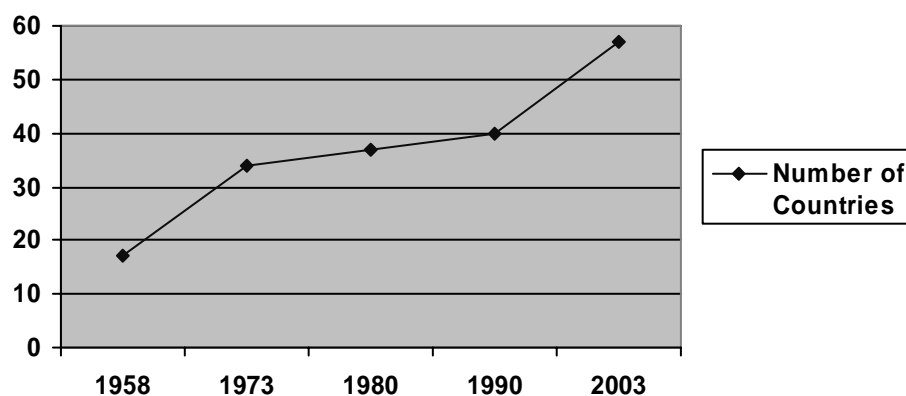
Has OECD been successful?

These activities have grown significantly over the last 45 years and have obviously responded to demand. Their *raison d'être* is to contribute to the streamlining and consolidation of basic innovation processes and their acceptance and adoption by society. In their respective fields, the OECD codes and schemes grapple with fundamental technological changes that quite a number of countries do not find easy to accept. This period could be a watershed for technological advances unless international trade finds new, suitable channels for disseminating technology.

OECD Codes and schemes, ISO, CBD, Codex, UNECE, FAO, WIPO, WTO and all that

In a context of ever-increasing globalisation, should these OECD programmes be bequeathed to wider UN Organisations? This was left as a possibility in the original Council Decision establishing the Seed schemes and the Tractor Codes, some 45 years ago. Why did it not happen? The preferred option was to keep these activities at the OECD while opening participation to all members of the United Nations. The range of organizations to which these programmes relate and with which they cooperate has since widened considerably. The OECD's role to substantiate, interpret, implement, and apply international agreement is more useful than ever. Stakeholders have certainly not changed their mind about the value of OECD labels.

**Number of Countries participating in at least one OECD Scheme
(1958 – 2003)**



SEEDS

What are the OECD Seed Schemes?

The OECD Seed Schemes are a globally recognised framework for the certification of agricultural seed moving through international trade. Their establishment in 1958 resulted from the combination of a fast-growing seed trade, regulatory harmonisation in Europe, the development of off-season production, the seed breeding and production potential of large exporting countries in America (North and South) and Europe, and the support of private industry. 52 countries from Europe, North and South America, Africa, the Middle-East, Asia and Oceania currently participate in the OECD Seed Schemes. It is the fastest growing of the four OECD Schemes, increasing from 17 participants in 1958 to 52 today. The most recent participants are Latvia, Serbia and Montenegro, the Russian Federation, and Mexico who all joined in 2001. Columbia, Uganda and the former Yugoslavia Republic of Macedonia have lodged official applications.

Seven Seed Schemes

There are seven agricultural Seed Schemes. Membership is voluntary and participation varies.

| | |
|---|----------------|
| <i>Grasses and Legumes</i> | (49 countries) |
| <i>Crucifers and other Oil or Fibre Species</i> | (49 countries) |
| <i>Cereals</i> | (48 countries) |
| <i>Maize and Sorghum</i> | (38 countries) |
| <i>Beet</i> | (29 countries) |
| <i>Vegetables</i> | (25 countries) |
| <i>Subterranean Clover and Similar Species</i> | (4 countries) |

What are the objectives?

The objectives of the Schemes are to encourage the use of “quality-guaranteed” seed in participating countries. The Schemes authorise the use of labels and certificates for seed produced and processed for international trade according to agreed principles ensuring varietal identity and purity.

Passports for trade

The Schemes facilitate the import and export of seed, by the removal of technical trade barriers through internationally recognised labels (passports for trade). They also lay down guidelines for seed multiplication abroad. In 2001/2002, around 425 000 tonnes of seed were OECD-certified, traded and used by farmers. The principles of the Schemes are also applied to a much larger quantity of seed certified domestically and internationally.



How do the Seed Schemes operate?

The success of international certification depends upon close and ongoing co-operation between maintainers, seed producers, traders and the designated authority (appointed by the government) in each participating country. Frequent meetings allow for a multi-stakeholder dialogue to exchange information, discuss case studies, prepare new rules and update the Schemes. The UN family of bodies, and a vast range of non-governmental organisations and seed industry networks, participate actively in the Schemes.

Why do countries join?

- To be able to use globally recognised labels and certificates, facilitating international trade (e.g. OECD labels are needed to export seed to Europe)
- To build a framework to develop seed production with other countries or companies
- To participate in the elaboration of international rules for seed certification
- To develop collaboration between the public and private sectors (e.g. accreditation)
- To benefit from regular exchanges of information with other national certification agencies

What's new?

"Hybrid cotton". Standards and seed certification rules were adopted by the OECD Council in April 2003

Genetically modified seed issues. In collaboration with the International Seed Federation, the International Seed Testing Association and more regionally-oriented organisations, the OECD is attempting to develop internationally acceptable basic procedures to deal with the adventitious presence of GM in conventional seed and GM varieties. In the meantime, OECD certification is one of the instruments to be retained to display evidence of compliance with the **Cartegena Protocol** on Biosafety

New concepts are being explored related to variety associations, organic seed, etc., where the need to determine seed identity and purity is particularly urgent.

What's the outlook?

As more countries enter international markets, and seed “consumers” become more sophisticated, they demand more certainty, safety and efficiency (yield, adaptation, characteristics) in what they buy. At the same time, there is a need for careful management of public resources and funds in order to contain the cost of regulation and quality control.

Co-operation among countries and seed related organisations in the framework of the Schemes is seen as a response to the concern for a market-responsive regulatory approach. Each country, confronted with different legal frameworks, institutional barriers and trade relations, must devise its own approach. Yet, the multiplicity of approaches must remain consistent among countries entering international markets as importers or exporters.

Seed companies are obviously competent to establish and maintain the distinctness, uniformity and stability of their varieties, not only domestically but also across borders. However, there is a need for minimum criteria (“rules of the game”) to be commonly defined, endorsed and enforced. The OECD Schemes provide this legal framework at the international level.

Annual Varieties List

The Annual List of Varieties eligible for OECD certification includes varieties which are officially recognised as distinct and possess an acceptable value in at least one country.

The list contains most of the internationally traded varieties whose number has grown steadily over the last thirty years. The number of listed varieties now amounts to 33 000 entries relating to over 185 species.

The List is gaining between 5-10% of new varieties each year. The highest recent increases are observed for maize and oilseed rape; sunflower, rice, and soybean. Some forage and other self-pollinated species are also part of this trend.

TRACTORS

What are the OECD Tractor Codes?

There is a considerable amount of international trade in tractors. The Codes facilitate trade by updating binding international rules to certify tractors and their protective structures. They are a means to: establish test reports of specifications and basic performance criteria on a comparative basis; simplify international trade procedures; increase transparency, and open up markets.

| EIGHT TRACTOR CODES | |
|---|----------------------|
| TRACTOR PERFORMANCE CHARACTERISTICS | Codes 1 and 2 |
| STRENGTH OF PROTECTIVE STRUCTURES | |
| - for standard tractors | Codes 3 and 4 |
| - for narrow-track tractors | Codes 6 and 7 |
| - for tracklaying tractors | Code 8 |
| NOISE MEASUREMENT AT DRIVER'S POSITION | Code 5 |

How do the Tractor Codes operate?

National testing stations in each participating country carry out the tests which are submitted to OECD for approval. Verification of individual test is sub-contracted to a National Co-ordinating Centre. Approved tests are published and used by tractor manufacturers and sellers and buyers. Summaries of performance tests are available on-line (www.oecd.org/agr/tractor/)

What is OECD's role?

OECD ensures the co-ordination at the international level. Frequent meetings allow for a multi-stakeholder dialogue to exchange information, discuss case studies, prepare new rules and update the Schemes. Test Engineer Conferences are held every two years:

- Who are Members?* 29 countries implement the Codes: 26 OECD countries and 3 non-Members (China, India and Russia). Observers include CEA, EFTA, FAO, IFAP and ISO
- Who else uses the Codes?* Numerous countries use the Codes for national testing, tenders, import regulations, etc, and there is a multitude of other users: private businesses for international and marketing activities; agricultural advisory services to find the tractor type and power most suitable for various agricultural operations; farm media for comparative tests. In a nutshell, farmers and other users of the Codes draw from them increased safety; technical reliability and market confidence.
- What has been tested?* Since the Codes were established in 1959, more than 2000 tractors have been tested for their performance characteristics, 10 000 variants of tractors have been tested for noise measurement at the driving position and driver protection in case of tractor roll-over

ROLL-OVER TEST



- What is the Outlook?* The Codes are in constant evolution as new tractor models proliferate. They are updated continuously to identify significant improvements in technical performance; safety; and environmental protection. They have become the leading international reference in the field of the certification of tractors and their protective structures, underpinning existing international agreements, and contributing actively to the harmonization of regional and global standards. The International Standards Organisation (ISO) has proposed entering into an agreement with OECD on issuing joint standards with a view to harmonising procedures. Interest in joining recently expressed by Iran and Mexico illustrates the relevance of the Tractor Codes in an increasingly globalised trading environment and augurs for a positive outlook.

FRUIT AND VEGETABLES

How does the international standardization of Fruit and Vegetables work?.

In the second half of the 20th century, the introduction of standardisation played a key role in establishing a system for classifying fresh fruit and vegetables and contributed to the transparency and development of markets. Standardisation addresses the quality aspects of fruit and vegetables, such as external appearance; taste, food safety aspects, etc. It addresses the concerns of a number of stakeholders: producers themselves, their industry associations and organisations; government departments responsible for agricultural policy, issuing standards, and conducting inspections, and last but not least, consumers who, as the final users, are the ultimate beneficiaries of quality. Three international bodies are the main players at the institutional level for fruit and vegetables: the UN/ECE; the CODEX Alimentarius and the OECD. The respective role of the three agencies has evolved over time. The main role of the Codex and the UN/ECE is now to develop and review standards, while the OECD concentrates on their application and interpretation.

How does the OECD Scheme operate? What are its tools?

Frequent meetings allow for a multi-stakeholder dialogue to elaborate/review OECD standards; draw up and update interpretative materials and harmonise inspection procedures. The other main tools are the **publication and dissemination of explanatory brochures and guidelines**; and the organisation or sponsoring of training courses at the initiative of participating countries.



colour gauge for tomatoes

Who are Members?

22 countries are Members of the OECD Scheme, including some major exporting countries. Morocco has recently joined and applications are pending from a number of new members.

What's the outlook?

Despite the growing complexity of quality definition, and the multiplication of private standards and quality initiatives, inter-governmental quality standardisation for fruit and vegetables remains essential. It provides the foundation for quality concepts, and increasingly addresses other dimensions such as sensory aspects, food safety, and compliance with phytosanitary regulations.

a common language for international trade

Standardisation is the common language of international trade and helps the fruit and vegetable industry to remain transparent to consumers and to evolve. The interpretation of standards is indispensable to applying them in practice and here the OECD Scheme and its explanatory brochures on standards and guidelines on inspection will continue to play a pivotal role.

In view of their frequent specialisation in fruit and vegetable exports, a large number of African and Asian countries would benefit from implementing the Scheme to enhance their export capacity building.

INTERPRETING STANDARDS

CARACTÉRISTIQUES MINIMALES

Les avocats doivent présenter, dans toutes les catégories, les caractéristiques minimales suivantes :

Les fruits doivent être :

i) **Entiers** : c'est-à-dire sans atteinte ou ablation affectant l'intégrité du fruit telles que coupures ou perforations, ou tout autre dommage physique important supporté au cours de la récolte ou des opérations de manutention y faisant suite.

Coupure



Exclu – Not allowed

MINIMUM REQUIREMENTS

In all classes, avocados must meet the following minimum requirements:

The fruit must be:

i) **Intact**: i.e. not having any mutilation or injury spoiling the integrity of the fruit, such as cuts or punctures or other significant physical damage sustained during harvesting or post harvest handling.

Cutting damage

FORESTS

What is the OECD Scheme for Forest Reproductive Material?

The OECD Scheme for the Control of Forest Reproductive Material Moving in International Trade, adopted in 1974, is a certification tool to facilitate international trade in forest seed and plants. The Scheme reflects the wish for governments to have these materials correctly identified with a view to minimising uncertainty in achieving successful afforestation. Afforestation may relate to wood production (which remains one of the major uses of forests), soil protection and fighting erosion, producing trees for ornamental or recreational purposes (Christmas trees); landscaping, etc.

How does the Scheme work?

More than 250 species of trees are currently eligible for certification under the OECD Scheme, covering an area of more than 13 million hectares. Forest stands, tree seed orchards and tree clones are approved by the participating countries as the basic material for harvesting the reproductive material, i.e., seeds or grafts. Different OECD labels are used according to the category of material. (see box below). The labelled material is then recognised internationally as **quality guaranteed** and **of certified origin or source**.

FOUR BROAD CATEGORIES FOR FOREST REPRODUCTIVE MATERIAL

Source-identified (minimum standard): the geographic origin of the forest stands (i.e., the source of the seeds) is known

Material from selected stands located in well-delimited regions of provenance, which have proven to be above average under similar conditions

Material from untested seed orchards which can produce improved quality seed

Tested material that is genetically improved to yield high-quality reproductive material with selected characteristics (pest resistance, adaptability, etc.)

Who are members?

The Scheme is voluntary for OECD countries, open to other UN member States, and provides a ***mutual recognition instrument*** between participating countries. It is currently implemented by 22 countries (including tropical countries which are developing their seed trade for reforestation). The Scheme used to be characterised as the passport for North American Seed to Europe. It is now much more than that. First Hungary, then other central and eastern European countries took interest, followed by a scattering of countries throughout the world. Most recently, Brazil, the Czech Republic and Belarus, in the process of drafting new forest reproductive laws, requested a copy of the OECD Scheme for guidance. Georgia has applied to participate and the Czech Republic and Belarus have expressed interest.

What's are the latest developments?

An update of the Rules has become necessary in recent years because of the growing importance on the market of new types of material derived from forest tree breeding programmes. A divergence of views between the US and the EU concerning the GMO aspects of the new rules has so far prevented the new Scheme from being officially adopted. In the meantime, OECD certification is one of the instruments to be retained to display evidence of compliance with the ***Cartegena Protocol*** on Biosafety. It should be noted in passing that the OECD/EPOC *Unique Identifier* is also the subject of a Memorandum of Understanding with the Cartegena Protocol . A database of all the basic material eligible for reproduction – forest stands, seed orchards, clones and clonal mixtures – is being developed and is expected to be on-line in mid-2004. The database will enable search by tree species, country of origin, and category of material.

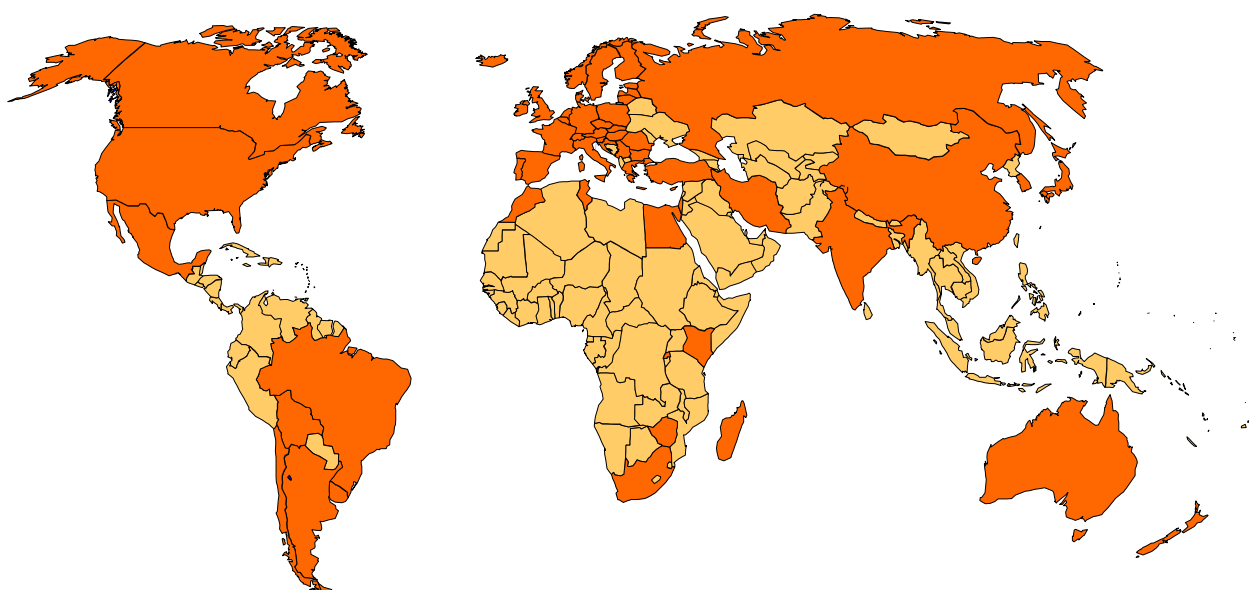
What's the outlook?

While lifting the suspension of the new Scheme is proving more difficult than anticipated, valuable consultations are underway with the major stakeholders. In the meantime, most participating countries and the EU, domestically, are taking greater advantage of OECD work than international trade. This reinforces the need to harmonize new national and regional regulations through OECD to restore international trade to its full potential.



checking seed cone quality

57 COUNTRIES CURRENTLY PARTICIPATE IN ONE OR MORE OF THE OECD CODES AND SCHEMES



ARGENTINA, AUSTRALIA, AUSTRIA, BELGIUM, BOLIVIA, BRAZIL, BULGARIA, CANADA, CHILE, CHINA, CROATIA, CYPRUS, CZECH REPUBLIC, DENMARK, EGYPT, ESTONIA, FINLAND, FRANCE, GERMANY, GREECE, HUNGARY, ICELAND, INDIA, IRAN (Islamic Rep. of), IRELAND, ISRAEL, ITALY, JAPAN, KENYA, KOREA (Rep. of), LATVIA, LITHUANIA, LUXEMBOURG, MADAGASCAR, MEXICO, MOROCCO, NETHERLANDS, NEW ZEALAND, NORWAY, POLAND, PORTUGAL, ROMANIA, RUSSIAN FEDERATION, RWANDA, SLOVAKIA, SLOVENIA, SOUTH AFRICA, SPAIN, SWEDEN, SWITZERLAND, TUNISIA, TURKEY, UNITED KINGDOM, UNITED STATES, URUGUAY, YUGOSLAVIA, ZIMBABWE

THE OECD PROGRAMME WITH THE LARGEST NUMBER OF PARTICIPATING COUNTRIES

FAQs

(Frequently Asked Questions)

Who can join the Codes and Schemes?

The Codes and Schemes are open to any OECD or non-OECD country that is a member of the United Nations or of the World Trade Organisation. A large number of countries who are not Members of the OECD already participate (Egypt, Morocco, China, India, Russia, etc.)

How much does it cost?

The overall budget is around one million euros, with Seeds accounting roughly for 40%, Tractors 30%, Fruit and Vegetables 20% and Forests 10%. The annual fee for each of the Codes and Schemes is based on a lump sum payment plus a variable percentage payment based on a formula related to the size of the participating country's economy (Gross Domestic Product). For more details on the exact cost for your country, contact sally.taylor@oecd.org

How do countries join?

For some of the Codes and Schemes, there are prerequisites for joining (e.g. a National Seed Law). In all cases, the following steps must be taken: 1) an official request to join is sent to the Secretary-General of the OECD, accompanied by the relevant documentation. 2) This is followed by an evaluation process, usually involving a short mission to the country in question. 3) The evaluation report is circulated to the designated authorities of the participating countries and discussed at their annual meeting. 4) The final step is an internal OECD process resulting in a Council Decision. The whole procedure takes about one year to 18 months.

How can I find out more?

Visit our website at WWW.OECD.ORG/AGR or see our [list of contacts](#)

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